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May 11, 2011

TO: Members of the House Regulatory Reform Committee

Michigan Farm Bureau supports House Bill 4307, which would amend the definition of agriculture in the Michigan Occupational Safety and Health Act.

Currently the statutory definition of "agriculture operations" relies on Standard Industry Classification (SIC) codes to designate the work activities that qualify as agriculture. SIC codes were developed in the mid-1900's and have had minimal updates since that time. We believe that using a more up to date industry classification system, the North American Industry Classification System (NAICS), better reflects today's modern agricultural activities.

The most recent update to NAICS codes occurred in 2007, and Sector 11 contains several important agricultural work activities that the current definition lacks. The need for an updated definition has most recently been seen in the Christmas tree industry where MI-OSHA has determined that these farms do not fit the definition of agriculture in the statute. As an industry, Christmas tree farming has become a very specialized agricultural sector that is included in NAICS Sector 11.

Farmers today are doing more to add value to their products before they leave the farm. Activities such as grain drying, fruit precooling, grain cleaning, grain grinding, vegetable sorting, grading, and packing are common activities on farms and should be included as agriculture work activities. The NAICS codes provide a better representation of these activities and should be included in statute.

Farm Bureau members have identified that an up to date and consistent definition of agriculture is critical to a transparent regulatory environment. In December of last year, Farm Bureau members approved Policy #53 "Agricultural Labor Relations" which states:

"We support the standardization of the definition of agriculture and farm work for all state/federal labor-related legislation to include the work activity described by the North American Industrial Classification System (NAICS), sector 11.

The NAICS code reflects modern agriculture practices and is now used by the agricultural census and the National Institute of Occupational Safety and Health as the description more accurately reflects current agricultural organizational structures."

We believe that updating the statute by moving to NAICS Sector 11 provides needed clarification for several agricultural sectors, and brings Michigan in line with the U.S. Department of Labor, Occupational Safety and Health Administration, which has moved to NAICS codes for more uniformity among the states and other countries.

Thank you for your consideration of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert S. Anderson'.

Robert S. Anderson
Legislative Counsel